

Fiscal Note

Fiscal Services Division



HF 2329 – Medication Therapy Management Insurance Coverage (LSB 5295HV)
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Fiscal Note Version – New
Requested by Representative Beth Wessel-Kroeschell

Description

House File 2329 relates to Medication Therapy Management and provides that a health insurance contract, policy, or plan providing for third-party payment or prepayment which includes coverage of health and medical expenses that include pharmaceutical benefits shall provide Medication Therapy Management. Medication Therapy Management is defined as a systematic process performed by a licensed pharmacist, designed to optimize therapeutic outcomes through improved medication use and reduce risk of adverse drug events. A fee will be established for physician reimbursement for medication management therapy. The Board of Pharmacy will adopt rules for the regulation of Medication Therapy Management.

Medication Therapy Management must be offered to:

- An individual taking four or more prescription drugs to treat two or more chronic conditions.
- An individual with a prescription drug therapy problem referred by the prescribing physician.
- An individual that meets other criteria established by the third-party payment provider.

Background

Under current Iowa Medicaid law, Medication Therapy Management is offered to individuals meeting similar criteria. No fee for physician reimbursement is required under Iowa Medicaid law. The State has 799 members and 32 participating pharmacies and costs \$73,000 annually.

Assumptions

- The basis for the payment is consistent with similar programs used by Wellmark Blue Cross and Blue Shield for a portion of their Medicare Advantage members.
- The Board of Pharmacy will adopt rules with current staffing levels.

Fiscal Impact

The Department of Administrative Services administers the State employee health plan offered by Wellmark Blue Cross and Blue Shield and has indicated that the State share of premiums would increase 0.03% to 0.05% or \$100,000 to \$167,000.

The Board of Regents administers health plans to Regents employees offered by Wellmark Blue Cross and Blue Shield and has indicated that premiums would increase 0.03% to 0.05% or \$114,000 to \$190,000.

The total estimated impact to the General Fund for FY 2011 is \$214,000 to \$357,000 and subsequent fiscal years.

Sources

Department of Administrative Services, Board of Regents, Department of Human Services, Legislative Services Agency

/s/ Holly M. Lyons

February 24, 2010

The fiscal note for this bill was prepared pursuant to **Joint Rule 17**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
